

July 10, 2014

To the Full House:

Farm Bureau supports passage of H.R. 4718, legislation that would make 50 percent bonus depreciation permanent and expand it to include trees and vines that bear fruits or nuts.

Because farming requires large investments in machinery, equipment and other depreciable capital, farmers and ranchers place great value on tax code provisions that allow them to write off capital expenditures in the year that purchases are made. Tax provisions that accelerate expensing and depreciation allow farmers and ranchers to better manage cash flow, minimize tax liabilities and reduce borrowing. The ability to immediately expense capital purchases also offers the benefit of reducing the record keeping burden associated with the depreciation. While many farmers and ranchers use Section 179 small business expensing, bonus depreciation gives those that exceed expensing limits a way to upgrade and modernize their businesses.

We urge you to vote for H.R. 4718 so that our nations' farms and ranches can remain production and profitable.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Stallman", written in a cursive style.

Bob Stallman  
President

V:\stm\taxes-bonushouse14.710